

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
AT GREENEVILLE, TENNESSEE**

In Re:

PRAYOSHA 1, INC

**Docket No.
2:14-bk-51827**

Debtor

NOTICE OF HEARING

Notice is hereby given that:

A hearing will be held February 17, 2015 at 9:00 a.m., in the Bankruptcy Court Room, James H. Quillen U.S. Courthouse, 220 West Depot Street, Suite 218, Greenville, TN 37743, on the following:

**MOTION TO APPROVE SALE OF ASSETS FREE AND CLEAR OF LIENS
OR OTHER INTERESTS UNDER 11 U.S.C. §363**

If you do not want the court to grant the relief requested, you or your attorney must attend this hearing. If you do not attend the hearing, the court may decide that you do not oppose the relief sought in the pleading and may enter an order granting this relief.

**MOTION TO APPROVE SALE OF ASSETS FREE AND CLEAR OF LIENS
OR OTHER INTERESTS UNDER 11 U.S.C. §363**

Comes now the Debtor, Prayosha 1, Inc., by and through counsel and pursuant to 11 U.S.C. §363 and Fed. R. Bankr. P. 6004(c), moves the Court to approve the sale of the Super 8 Motel located at 417 Historic Nature Trail, Gatlinburg TN 37738 along with a house that is located on the same property, free and clear of liens. For cause, the Debtor would show the Court as follows:

1. The Debtor filed a voluntary Chapter 11 Petition in bankruptcy on November 5, 2014. It is currently operating as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.
2. The Debtor owns and operates a motel at 417 Historic Nature Trail, Gatlinburg TN 37738 known as the Super 8 Hotel.

3. The Debtor is indebted to Tennessee State Bank ("TSB") in the approximate amount of \$3,097,115.18. This debt is composed of four notes which are cross-collateralized and cross-defaulted, with the debt of a second entity, Sachidanand Investments, Inc. Note #1 is in the current approximate principal amount \$3,079,162.75 (Claim #1), and was originally incurred by the Debtor for the purchase of the Super 8 Motel located in Gatlinburg, Tennessee owned by the Debtor. Note #2 is in the current approximate principal amount of \$3,400.00 (Claim #2) originally incurred by the Debtor to support the issuance of a Letter of Credit in favor of the Sevier County Utility District. Note #3 is in the current approximate principal amount of \$4,556.00 (Claim #3) originally incurred by the Debtor to support the issuance of a Letter of Credit in favor of the City of Gatlinburg Water Department. Note #4 is in the current approximate principal amount of \$10,000.00 (Claim #4) originally incurred by the Debtor to support the issuance of a Letter of Credit in favor of the Sevier County Electric System Sachidanand Investments, Inc. All four notes are secured by Deeds of Trust in favor of TSB on Debtor's motel property in Gatlinburg, Tennessee and Sachidanand Investments, Inc.'s hotel located White Pine, TN. The debt is also secured by the personal property owned by Debtor and Sachidanand Investments, Inc. The Deed of Trust in favor of TSB contains a provision granting it a lien on the income, rents, leases and profits of the two motels. TSB asserts that it therefore has an interest in the cash collateral of Debtor.

4. Sachidanand Investments, Inc. also filed a Chapter 11 Bankruptcy Petition in this Court on November 5, 2014 (Case No. 2:14-bk-51825). Sachidanand Investments, Inc. is represented by Barry W. Eubanks, Eubanks Law Firm, PC.

5. The Debtor and Sachidanand Investments, Inc. have common shareholders, Ishver Patel and Anup Patel.

6. Ishver and Arti Patel have also filed a Chapter 11 Bankruptcy Petition in this Court

on November 5, 2014. Ishver and Arti Patel are represented by Brenda Brooks of Moore & Brooks, in Knoxville, TN.

7. The Debtor is indebted to the Department of the Treasury-Internal Revenue Service for 941 Taxes in the amount of \$26,253.88 (\$26,053.88 listed as unsecured priority and \$200.00 listed as unsecured). The IRS has filed Claim # 8.

8. The Tennessee Department of Revenue has filed a tax lien against Debtor, but Debtor believes that this debt has been satisfied, although the lien has not been released. The Tennessee Department of Revenue has filed Claim #12 in the amount of \$21,571.89 and Claim #13 in the amount of \$9,820.00 however these claims are not secured.

9. The Tennessee Department Labor & Workforce Development has filed a lien against Prayosha, Inc a name formerly used by the Debtor and may have an interest in cash collateral.

10. Debtor owes City and County Real Property taxes in the approximate amount of \$30,010.41, which are a lien on the Property.

11. Debtor has entered into a Settlement Agreement with Tennessee State Bank in which TSB allows the Debtor to use cash collateral under the terms of the Settlement Agreement, but only until February 28, 2015. The Debtor's right to use cash collateral terminates at 11:59 p.m. on February 28, 2015, unless the Debtor has presented to TSB an offer to purchase (1) the property located at 3670 Roy Messer Hwy, White Pine, TN owned by Sachidanand Investments, Inc., (2) property located at 417 Historic Nature Trail, Gatlinburg TN 37738, owned by the Debtor, and (3) the property owned by Ishver and Arti Patel, on Erin Lane in Greene County, Tennessee, at a price and upon such terms as are acceptable to the Bank. If Debtor does present an offer acceptable to TSB, the Debtor may continue to use cash collateral until the closing of the sale. Without the right to use cash collateral, the Debtor will be forced to cease operations and close the motel, and TSB will be granted stay relief in order to foreclose on the properties.

12. The Debtor has received from 321 Properties, LLC an offer to purchase (1) the property located at 3670 Roy Messer Hwy, White Pine, TN owned by Sachidanand Investments, Inc., (2) the property located at 417 Historic Nature Trail, Gatlinburg TN 37738, owned by the Debtor, and (3) the property owned by Ishver and Arti Patel, on Erin Lane in Greene County, Tennessee for a total purchase price of \$2,900,000.00. A copy of the Real Estate Purchase Agreement signed by 321 Properties, LLC, the Debtor, Sachidanand Investments, Inc., and Ishver T. Patel and Arti I. Patel is attached as an Exhibit hereto.

13. Tennessee State Bank has approved this contract, provided the sale and purchase is consummated no later than March 31, 2015.

14. At closing the net proceeds of the sale will be used to pay the real property taxes owed by Debtor, Sachidanand Investments, Inc., and Ishver and Arti Patel on the real property being conveyed which are first liens on the properties superior to TSB and the quarterly U.S. Trustee fees. The balance of the net proceeds will be paid to TSB. There will be no proceeds remaining to pay other creditors.

15. At Closing, the cash collateral retained by Debtor will be turned over to TSB in accordance with the terms of the Settlement Agreement.

16. Debtor would further show the Court that it has tried to sell the properties listed in Paragraph 10 and 11 above for several years, but has not been able to find a buyer. Debtor believes the offer presented by 321 Properties, LLC is a reasonable offer and should be approved by the court.

WHEREFORE, the Debtor requests that the Court grant this motion to allow the sale of the properties to 321 Properties, LLC pursuant to 11 U.S.C. §363 free and clear of liens and other interests.

/s/ C. Dan Scott

C. Dan Scott, Esq., BPR #010295

Scott Law Group, PC

P.O. Box 547

Seymour, TN 37865

(865) 246-1050

Attorney for the Debtor in Possession

CERTIFICATE OF SERVICE

The undersigned certifies that on this 27th day of January, 2015, a copy of this Notice of Hearing, Motion To Approve Sale of Assets Free and Clean of Liens Under 11 U.S.C. § 363 and the proposed Order was served upon the all parties on the attached mailing matrix and the following parties by mail and/or by the Court's electronic filing system.

Kimberly C. Swafford
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(attorney for Tennessee State Bank)

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Paramus, NJ 07652
(attorneys for Super 8 Worldwide,
Inc.)

Tennessee Department of Labor
Workforce Development
Tennessee Attorney General's Office
Bankruptcy Unit
426 5th Avenue 2nd Floor
Nashville, TN 37849

Tennessee Department of Revenue
Tennessee Attorney General's Office
Bankruptcy Unit
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Nashville, TN 37849

Internal Revenue Service
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Kent Anderson
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/s/ C. Dan Scott
C. Dan Scott, Esq.

Label Matrix for local noticing
0649-2
Case 2:14-bk-51827
Eastern District of Tennessee
Greeneville
Tue Jan 27 15:04:10 EST 2015

City of Gatlinburg
P.O. Box 5
Attn: Finance Director
Gatlinburg, TN 37738-0005

Prayosha I, Inc
417 Historic Nature Trail
Gatlinburg, TN 37738-3333

Super 8 Worldwide, Inc.
c/o Forman Holt Eliades & Youngman LLC
80 Route 4 East - Suite 290
Paramus, NJ 07652-2661

Tennessee Department of Labor and Workforce
c/o TN Attorney General's Office
Bankruptcy Division
P.O. Box 20207
Nashville, TN 37202-4015

Tennessee State Bank
c/o Tyler C. Huskey, Attorney
Gentry, Tipton & McLemore, P.C.
2430 Teaster Lane, Suite 210
Pigeon Forge, TN 37863-5274

2
United States Bankruptcy Court
James H. Quillen U. S. Courthouse
220 West Depot Street, Suite 218
Greeneville, TN 37743-1100

AT&T Mobility II LLC
c/o AT&T Services, Inc
Karen Cavagnaro, Lead Paralegal
One AT&T Way, Room 3A104
Bedminster, NJ 07921-2693

Americana Inn-Gatlinburg, LLC
383 W. Galena
Aurora, IL 60506-4036

Anup Patel
417 Historic Nature Trail
Gatlinburg, TN 37738-3333

BellSouth Telecommunications, Inc.
c/o AT&T Services, Inc
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Carbon's Golden Malted Waffles
P.O. Box 71
Buchanan, MI 49107-0071

Central Paper & Supply Co.
101 Lafe Cox Dr.
P.O. Box 1158
Johnson City, TN 37605-1158

Charter Communications
P.O. Box 9001925
Louisville, KY 40290-1925

City of Gatlinburg
Attn: Finance Director
P.O. Box 5
Gatlinburg, TN 37738-0005

City of Gatlinburg Utility
P.O. Box 5
Gatlinburg, TN 37738-0005

Cline Duane CPA
Cline & Co Cpa's
400 W Main St #316
Morristown, TN 37814-4695

Ecolab
P.O.Box 905327
Charlotte, NC 28290-5327

H.D. Supply
P.O. Box 509058
San Diego, CA 92150-9058

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Ishver T. Patel
3670 Roy Messer Hwy
White Pine, TN 37890-4008

Krispy Kreme
Messick Doughnuts, Inc.
P.O. Box 388
Pigeon Forge, TN 37868-0388

Maurice Guinn
P.O. Box 1990
Knoxville, TN 37901-1990

Reinhart Food Service
P.O. Box 51150
Knoxville, TN 37950-1150

Sachidanand Investments
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White Pine, TN 37890-4008

ScentAir Technologies, Inc.
P.O. Box 906032
Charlotte, NC 28290-6032

Sevier County Electric System
P.O. Box 4870
Sevierville, TN 37864-4870

Sevier County Trustee
125 Court Ave., Suite 209W
Sevierville, TN 37862-3565

Sevier County Utility District
420 Robert Henderson Road
Sevierville, TN 37862-1865

Sevier County Utility District
P.O. Box 4398
Sevierville, TN 37864-4398

Super 8 Motel, Inc
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Parsippany, NJ 07054-3801

Super 8 Worldwide, Inc.
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Nashville, TN 37242-0001

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Tennessee Attorney General's Office
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Nashville, TN 37243-0001

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c/o Attorney General
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End of Label Matrix
Mailable recipients 42
Bypassed recipients 0
Total 42